

# Ask the TIC

## Classifying Your Products for Export

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*On a daily basis, millions of products from the United States and elsewhere enter markets around the world. A crucial aspect of this constant stream of goods is the proper identification and documentation of those products for customs purposes. For every item, there is a customs classification number that ensures that customs authorities recognize the product and that the appropriate customs fees are assessed. These numbers are also used to obtain tariff rates, complete export documentation, and conduct market research.*



### WHAT IS AN HS OR HTS NUMBER?

The World Customs Organization, formerly the Customs Cooperation Council, developed the Harmonized Commodity Description and Coding System, also called the Harmonized System (HS). The HS is recognized by 179 countries and customs or economic unions, representing 98 percent of world trade.

The HS assigns six-digit codes that represent general categories of goods. Countries that use HS numbers are allowed to define commodities at a more detailed level, but they must "harmonize" the first six-digits to the HS framework. Each country can assign up to four additional numbers, making the entire number up to 10 digits. Using these codes ensures that customs officials are referring to the same item when classifying the product and applying the tariff rate.

The U.S. tariff schedule, or Harmonized Tariff Schedule (HTS), is based on the international HS nomenclature. The 10-digit HTS numbers are used on U.S. import documentation and to obtain U.S. tariff rates.



### WHAT IS A SCHEDULE B NUMBER?

In the United States, numbers used to classify exported products are called "Schedule B" numbers. Similar to the HTS, the Schedule B system is also based on the international HS, but the U.S. Census Bureau administers it. The Schedule B number, not the HTS number, must be provided on the Shipper's Export Declaration (SED). Using these numbers, U.S. export statistics are calculated from SEDs by the Census Bureau. Schedule B numbers cannot

be used for classifying products for importation into the United States.



### IS THERE A DIFFERENCE BETWEEN HTS AND SCHEDULE B NUMBERS?

Yes, in the United States, HTS numbers are used for import documentation, while Schedule B numbers are used for export documentation. Both Schedule B and HTS numbers have the same first six digits, however at the 10-digit level the codes can be different. For example, Schedule B and HTS codes show differences for the number 4801.00.00 (newsprint, in rolls or sheets).

#### Schedule B:

48 Paper and paperboard and articles (includes paper pulp articles)  
4801.00.00.02 Newsprint, in rolls or sheets.

#### HTS:

48 Paper and paperboard; articles of paper pulp, of paper or of paperboard  
4801 Newsprint, in rolls or sheets.  
4801.00.00.20 Standard newsprint paper  
4801.00.00.40 Other

The HTS number tends to be more detailed.

There are about 9,000 export codes (Schedule B) and approximately 12,000 import numbers (HTS). It is usually okay to use the more detailed HTS number on export documents, but that is not always the case. The Census Bureau's Foreign Trade Division Web site ([www.census.gov/foreign-trade/www](http://www.census.gov/foreign-trade/www)) contains a list of HTS numbers that cannot be used to report exports.



### HOW OFTEN ARE CLASSIFICATION NUMBERS UPDATED AND BY WHOM?

The Foreign Trade Division of the Census Bureau revises the Schedule B manual, either by publication of a new manual or issuance of a Public Bulletin to update the existing manual. The entire manual is usually re-published every five to 10 years. The U.S. International Trade Commission ([www.usitc.gov](http://www.usitc.gov)) annually updates the *Harmonized Tariff Schedule Annotated*.



### HOW ARE SCHEDULE B AND HTS NUMBERS ORGANIZED?

Schedule B and HTS numbers are organized by chapters, beginning with 01 (live animals and animal products) and ending at 97 (works of art, collectors' pieces, and antiques). The United States and certain other countries also use

chapters 98 and 99 to cover special categories of products, such as goods temporarily imported for repair or alteration (United States), donations of clothing and books for charitable purposes (Canada), and household and other goods imported by someone resuming residence in the country (New Zealand). Beneath each chapter, there is a heading and then a subheading that further describes the product. HTS numbers for various products break down in the order outlined below:

- Chapter = first two digits
- Heading = first four digits
- Subheading = first six digits
- Tariff item = up to 10 digits total

For example, the following is a breakdown of a “men’s cotton raincoat” and its HS number 6201.12.2010:

Chapter: 62 – Apparel articles and accessories, not knit, etc.  
 Heading: 6201 – Men’s or boy’s overcoats, raincoats, carcoats, capes, cloaks, anoraks (including ski jackets), windbreakers and similar articles (including padded, sleeveless jackets): Overcoats, carcoats, capes, cloaks and similar articles.  
 Subheading: 6201.12 – Of cotton  
 Tariff item: 6201.12.2010 – Men’s raincoats



### HOW DO I CLASSIFY MY PRODUCT?

The first step is to understand the product well, particularly its material and how it will be used. Sometimes, the details may make a difference in its category. For example, hammers are classified in several different chapters, and it is important to know if the hammer is electric or pneumatic and whether it is made of metal, wood or rubber.

Next, visit the Census Bureau’s Schedule B Search Engine at [www.census.gov/foreign-trade/schedules/b](http://www.census.gov/foreign-trade/schedules/b). You may either browse through the chapters or search for a Schedule B number. To begin, click on “Search” and enter a key word in the search box; then click search. The results will be listed two different ways: alphabetical index and Schedule B book descriptions. Choose the description that best fits the product, and use the corresponding classification number.



### CAN I SPEAK TO SOMEONE IF I HAVE PROBLEMS CLASSIFYING?

If you are having difficulty classifying using the Schedule B Search Engine, classification specialists at the Census Bureau’s Foreign Trade Division Commodity Analysis Branch are available to assist you in identifying the appropriate number to classify your product. To classify durable goods (metals, machinery, computer, electronic, and other miscellaneous goods), phone (301) 763-3259. To classify non-durable goods (food, animal, wood, paper,

mineral, chemical, and textile goods), phone (301) 763-3484. If you do not know if the product is durable or non-durable, phone (301) 763-3047.



### CAN I REQUEST THAT THE IMPORTING CUSTOMS AUTHORITY DETERMINE THE APPROPRIATE NUMBER PRIOR TO EXPORTING?

Yes, you can. This is referred to as an advanced customs ruling. The request must be in writing to the importing country’s customs authority and provide sufficient information on the product. Most customs authorities will make the determination and provide a binding customs ruling. However, the customs authority’s ruling must be accepted, even if there is a category or number that better describes the product. The number assigned by customs may carry a higher tariff than a number you believe more aptly describes the product.



### HOW DO I OBTAIN TARIFF RATES IF I HAVE THE APPROPRIATE HS NUMBER FOR MY PRODUCT?

You can find several alternative methods of determining foreign tariff rates on the Trade Information Center’s Web site at [www.export.gov/tic](http://www.export.gov/tic). Click on “Tariff and Tax Information,” then go to “Tariff Resources.” Tariff rates for many countries are shown on the site, and an HS number identification and tariff look-up tool is also available. Also, a freight forwarder or customs broker can help you find tariff rates. If you need further assistance, contact the Trade Information Center at (800) USA-TRAD(E) to speak with one of the trade specialists. U.S. import rates can be obtained by calling U.S. Customs offices nationwide, a listing of which is found on [www.customs.gov](http://www.customs.gov) or the International Trade Commission site at <http://dataweb.usitc.gov/scripts/tariff.asp>.



### WHERE CAN I FIND FURTHER INFORMATION?

To find further information on Schedule B numbers, visit the Census Bureau at [www.census.gov/foreign-trade/www](http://www.census.gov/foreign-trade/www). To find further information on HS numbers, visit the U.S. International Trade Commission at [www.usitc.gov](http://www.usitc.gov). For all other trade-related issues, contact the Trade Information Center at (800) USA-TRAD(E).

The Trade Information Center (TIC) is operated by the International Trade Administration of the U.S. Department of Commerce for the 19 federal agencies comprising the Trade Promotion Coordinating Committee. These agencies are responsible for managing the U.S. government’s export promotion programs and activities. You, too, can “Ask the TIC” by calling (800) USA-TRAD(E) toll free, Monday through Friday, 8:30–5:30 EST. Or visit the TIC’s Web site at [www.export.gov/tic](http://www.export.gov/tic).